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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/064,066	06/06/2002	Kyle Ray Brown	102-1002	3163
24253	7590	08/28/2007		
JOEL I ROSENBLATT 445 11TH AVENUE INDIALANTIC, FL 32903			EXAMINER ZECHER, MICHAEL R	
			ART UNIT	PAPER NUMBER
			3691	
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			08/28/2007	PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/064,066	<b>Applicant(s)</b> BROWN, KYLE RAY	
	<b>Examiner</b> Michael R. Zecher	<b>Art Unit</b> 3691	

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 24 July 2007.
- 2a) ☒ This action is **FINAL**.                      2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-18, 28-36 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-18, 28-36 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                       | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

### DETAILED ACTION

1. The following is a final Office action on the merits. Applicant's remarks received on July 24, 2007, have been acknowledged. The applicant's arguments/remarks are believed to contain a typographical error on page 11. Applicant states that claims 19-28 have been replaced with new claims 29-33. However, applicant has added new claims 28-36. Claims 1-18 and 28-36 are pending; claims 19-27 have been cancelled.

#### ***Claim Rejections - 35 USC § 103***

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. **Claims 1-6, 8-15, 17-18, 28-32, & 34-36** are rejected under 35 U.S.C. 103(a) as being anticipated by Harris et al. (U.S. 6,014,635) in view of Peirce et al. (U.S. 6,332,126).

**As per claim 1**, Harris et al. teaches a system for operating a discount debit card plan for processing of an eCard holder transaction by using a discount plan provider system responsive to the transaction amount reduced by a merchant discount and debiting the eCard holder with the transaction amount reduced by an eCard holder discount, and crediting the difference between the merchant discount and the card holder discount as at least one fee to the discount debit card plan provider or its affiliates, comprising:

a discount debit plan provider terminal containing data indicative of a discount debit card plan for use by participating merchants and for application to transactions with a discount debit plan provider's authorized eCard (See column 3, lines 41-65, and column 4 lines 7-67, which discusses a discount credit system administrator, including a number of authorized merchants, whereby customers can passively or actively enroll);

a participating merchant terminal with merchant identifying information (See column 5, lines 29-60, which discusses how authorized merchants who agree to participate in the discount credit system are preferably connected to merchant banks which provide gateways into the VISA® credit network);

said discount debt plan provider eCard with eCard data, including eCard holder identifying data (See column 2, lines 18-28, which discuss how participants, upon passive or active enrollment, are assigned a membership number that is associated with a transaction card account issued by a card issuer);

a telecommunications network connecting said discount debit plan provider terminal and said merchant terminal for transmitting data between said terminals (See column 1, lines 35-45, which discuss the VISA ® credit transaction network, a standard computer network for transmitting authorization request).

said merchant terminal responsive to said eCard data and to transaction data for crediting said transaction made between said participating merchant and said eCard holder for transmitting said transaction data to said discount debit plan provider's terminal (See column 5, line 63 through column 6, line 37, which discusses a series of

discount transaction processors which include a membership account issuing bank, a discount authorization processor, and a discount merchant bank);

said discount debit plan providers terminal responsive to said transaction data for debiting said eCard holder's account with eCard holder's discounted amount represented by said transaction amount reduced by said eCard holder's discount (See column 11, lines 50-53, which discuss how the value of the transaction minus the previously applied discount is credited to participants appropriate transaction card account). However, Harris et al. does not expressly disclose said discount debit plan providers terminal responsive to said transaction data for crediting said merchant's account with a merchant's discounted amount represented by said full transaction amount reduced by said participating merchant's discount.

Peirce et al. discloses a system and method for targeted payment discount utilizing bankcards to provide merchants with a flexible, cost effective method of advertising to a large number of interested consumers.

Both Harris et al. and Peirce et al. disclose systems and methods for offering discounted card transactions. Pierce utilizes merchant discounts within a credit transaction network to effectively and efficiently target offers deemed valuable to respective cardholders (See column 1, line 65, through column 2, lines 5, and claims 1-7 which discuss merchant discounts in the context of a discounted credit transaction). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Harris et al. to include a merchant discount for participation in a discount debit card system as taught by Peirce et al. in order to create

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a flexible, cost effective method for potential consumers to access various merchants (See column 1, line 50, through column 2, line 5, which discusses the desire for merchants to find consumers interested in their products or services and the desire for consumers to have products or services they want or need at discount prices).

**As per claim 2**, Harris et al. teaches wherein said discount debit plan provider's terminal credits a difference between said participating merchants discounted amount and said eCard holder's discounted amount as at least one fee to said discount debit plan provider or its affiliates (See column 8, lines 42-52, which discuss a commission based on conventional formulas).

**As per claim 3**, Harris et al. teaches wherein, said discount debit plan provider's terminal is responsive to said transaction data for crediting said merchant and for debiting a source account of fungible funds for the amount credited to said merchant (See column 8, lines 29-33, which discuss how payments representing the gross amount of the purchase are withdrawn from an umbrella account which is housed at the membership account issuing bank and paid to the merchant bank) and for replenishing said source account from at least a part of said amount debited to said eCard holder's account (See column 8, lines 34-41, which discuss replenishing the umbrella account by settling with the participant's transaction card issuing bank).

**As per claim 4**, Harris et al. teaches wherein said debiting of said source account is made without identification of respective eCard holders fund placed in said source account (See column 8, lines 29-33, which discuss how payments representing the gross amount of the purchase are withdrawn from an umbrella account which is

housed at the membership account issuing bank and paid to the merchant bank; no identification of respective participants funds placed in the umbrella account takes place).

**As per claim 5**, Harris et al. teaches including an eCard containing data related [to] said discount debit card plan (See column 2, lines 18-28, which discuss how participants, upon passive or active enrollment, are assigned a membership number that is associated with a transaction card account issued by a card issuer); said merchant terminal responsive to said eCard, for transmitting to said discount debit plan provider's terminal, merchant identifying data for entry into said discount debit plan provider's terminal (See column 6, line 38 through column 7, line 67, which discusses how an authorization request is sent from the merchant bank to membership account issuing bank; the authorization request includes the membership account number and verifies that the request originated from an authorized merchant).

**As per claim 6**, Harris et al. teaches wherein said eCard includes sample transaction data and said discount debit plan provider's terminal, responsive to transaction data indicative of said sample transaction, denies the participating merchant credit for the said sample transaction (See column 9, lines 9-47, and column 10, lines 46-54, which discuss how a discount transaction is denied).

**As per claim 8**, Harris et al. teaches wherein said telecommunications network connects said discount debit plan provider's terminal to said participating merchant through an eCard company terminal (See Figure 1, specifically signals 24 & 25, which illustrates the discount transaction system including several data processors

interconnected through a conventional VISA ® transaction network); said eCard company terminal responsive to said transaction data, transmits said transaction data to said discount debit plan providers' terminal (See Figure 1, specifically signals 22 & 23, which illustrates the discount transaction system including several data processors interconnected through a conventional VISA ® transaction network).

**As per claim 9**, Harris et al. teaches wherein said eCard company terminal responsive to said transaction data from said participating merchant's terminal, transmits data authorizing said transaction to said participating merchant's terminal (See Figure 1, which illustrates authorizing the transaction through signals 24 & 25).

**Claims 10, 19, & 28** recite equivalent limitations to claim 1, and are therefore rejected using the same art and rationale as set forth above.

**Claims 11-15 & 17-18** recite equivalent limitations to claims 2-6 & 8-9, respectively, and are therefore rejected using the same art and rationale as set forth above.

**Claims 29-32** recite equivalent limitations to claims 2, 3, 6, & 6, respectively, and are therefore rejected using the same art and rationale as set forth above.

**As per claim 34**, Harris et al. teaches a means for replenishing said source of fungible funds from at least a part of said eCard holder's discounted amount (See column 8, lines 34-41, which discuss replenishing the umbrella account by settling with the participant's transaction card issuing bank).

**Claims 35-36** recites equivalent limitations to claim 34, and are therefore rejected using the same art and rationale as set forth above.



3. **Claims 7, 16, & 33** are rejected under 35 U.S.C. 103(a) as being unpatentable over Harris et al. in view Peirce et al. as applied to claims 1-6, 8-15, 17-24, and 26-27 above, and further in view of Barbara et al. (U.S. 2003/0105710).

**As per claim 7**, the Harris et al. and Peirce et al. combination discloses the structural elements of the claimed invention, but does not expressly disclose wherein, said discount debit plan provider's terminal, responsive to said merchant identifying data, registers said merchant as said participating merchant in said discount debit card plan.

Barbara et al. discloses a method and system for on-line payments that enables the making of payments using a credit card, checking account, or savings account (See paragraph 4 which discusses a method and system for making on-line payments utilizing a transaction account as a hub for such payments).

Both Harris et al. and Peirce et al. combination and Barbara et al. disclose methods and systems to make payments using electronic commerce. Barbara et al. discloses a quick enrollment aspect using pre-defined parameters within a method and system of making on-line payments utilizing a transaction account as a hub (See paragraph 27, which discusses how third party service provider executes pre-qualification base on pre-defined parameters, such as requiring customers of the third party to pay the service provider charges for using a credit card account). Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Harris et al. and Peirce et al. combination to include registering a merchant in the discount debit card plan based on pre-defined parameters as taught by Barbara et

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al. in order to provide a quick enrollment process (See paragraph 15, which discusses an advantage of providing a method and system for an on-line transaction that employs a quick enrollment process).

**Claims 16 & 33** recite equivalent limitations to claim 7, and are therefore rejected using the same art and rationale as set forth above.

***Response to Arguments***

4. Applicant's arguments, see page 11, Drawings, filed July 24, 2007, with respect to the objection of the drawings under 37 CFR 1.83(a) have been fully considered and are persuasive. The objection of the drawings has been withdrawn.

5. Applicant's arguments, see page 11, Specification, filed July 24, 2007, with respect to the objection concerning the disclosure have been fully considered and are persuasive. The objection of the specification has been withdrawn.

6. Applicant's arguments, see page 11, Claims, filed July 24, 2007, with respect to the objection of claim 5 have been fully considered and are persuasive. The objection of claim 5 has been withdrawn.

7. The 35 U.S.C 112, second paragraph, rejection of claim 19 is moot because applicant has cancelled claim 19.

8. Applicant's arguments filed July 24, 2004, have been fully considered but they are not persuasive. In the remarks, applicant argues in substance that:

(a) Harris is exclusively a credit process where the merchant receives a 100% of the transaction amount.

(b) There is no debiting of the cardholder's account directly by a debit card transaction.

(c) Harris is limited to credit card transactions.

In response to (a):

Referring to the last full paragraph of the "Summary of Invention," applicant states that Harris et al. is exclusively a credit process where the merchant receives 100% of the transaction amount. The last sentence of the "Summary of Invention" states that "both the debit transaction for 100% of the purchase price and a credit transaction for the discount savings are recorded on the participant's transaction card account statement." Examiner respectfully disagrees with applicant's interpretation of this statement. First, the statement indicates that a debit transaction occurs and, therefore, that Harris et al. is not exclusively a credit process. Additionally, the referenced statement simply refers to what monetary amounts are recorded on a participant's account statement. Furthermore, Examiner rejected applicant's invention under 35 U.S.C. 103(a) by combining Harris et al.'s discount credit transaction (See column 11, lines 50-53, which discuss how the value of the transaction minus the previously applied discount is credited to participants appropriate transaction card account) with the limitation of a merchant discount disclosed in Pierce et al. (See column 1, line 65, through column 2, lines 5, and claims 1-7 which discuss merchant discounts in the context of a discounted credit transaction). Examiner provided proper motivation for combining these two references. Therefore, the Harris et al. and Peirce et al. combination does teach that by applying both the merchant discount with the a

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card holder's discount, neither the participant or the merchant would be credited with the initial 100% of the transaction amount.

In response to (b):

Referring again to the last full paragraph of the "Summary of Invention," Harris et al. discloses that the process may preferably occur either as a direct on-line process or in batch mode. Harris et al. repeats this statement in column 8, lines 9-11. Therefore, Harris et al. does teach that the debit transaction may occur directly.

In response to (c):

Harris et al. discloses establishing an account with the discount credit system where each participant is assigned a unique identifying number, otherwise known as a membership number. The membership number uses a sixteen digit conventional Visa debit card number (See column 4, lines 7-22). Therefore, Harris et al. does teach a method and system for a discount debit card.

### ***Conclusion***

9. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any

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extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Michael R. Zecher whose telephone number is 571-270-3032. The examiner can normally be reached on M-F 7:30-5:00 alt. Fridays off.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on 571-272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

MRZ



HANI M. KAZIMI  
PRIMARY EXAMINER